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April 26, 2006

Daniel W. Brewer  
Blue Grass Energy Cooperative Corp.  
P. O. Box 990  
1201 Lexington Road  
Nicholasville, KY 40340-0990

CERTIFICATE OF SERVICE

RE: Case No. 2005-00499  
Blue Grass Energy Cooperative Corp.

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on April 26, 2006.

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Executive Director

BOD/jc  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF	)	
THE FUEL ADJUSTMENT CLAUSE OF BLUE	)	CASE NO.
GRASS ENERGY COOPERATIVE	)	2005-00499
CORPORATION FROM MAY 1, 2005 TO	)	
OCTOBER 31, 2005	)	

ORDER

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission, on December 27, 2005, established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Blue Grass Energy Cooperative Corporation ("Blue Grass") for the 6 months ended October 31, 2005.

As part of this review, the Commission ordered Blue Grass to submit certain information concerning its compliance with Administrative Regulation 807 KAR 5:056. Blue Grass has complied with this Order. The Commission further ordered that a public hearing be held in this case but cancelled it when, after publication of notice, no interested party advised the Commission of its intention to attend.

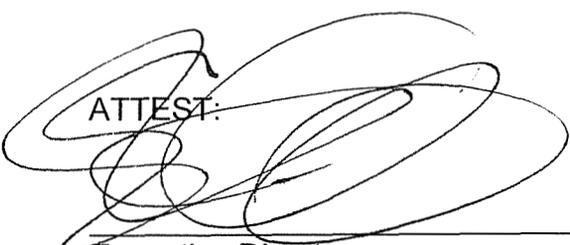
The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence that Blue Grass has improperly calculated or applied its FAC charge.

IT IS THEREFORE ORDERED that the charges and credits applied by Blue Grass through the FAC for the period May 1, 2005 through October 31, 2005 are approved.

Done at Frankfort, Kentucky, this 26th day of April, 2006.

By the Commission

ATTEST:



Executive Director

Case No. 2005-00499